

25 May 1953

FAR EAST

KOREAN
TRUCE

There is still no evidence that the Communists are prepared to abandon their insistence that the fate of prisoners who remain unwilling to be repatriated be left entirely in the ~~xxx~~ hands of a political conference. Under UN pressure, they might propose, as a compromise, that this question be settled by majority vote of the five-nation custodial commission.

According to Li Mi, two or three thousand of

BURMA

his troops in Burma could be evacuated if properly handled, but he said he would not assist before the Burmese order a cease-fire.

After the first meeting of the mixed commission

in Bangkok, the Burmese are still calling for the withdrawal of all these troops rather than the "hard core" and are opposed to a cease-fire except in local areas where Nationalist troops are actually preparing for evacuation. 25X1

INDOCHINA The military situation in Laos is quiet, but the Viet Minh are believed already preparing for an offensive next fall in this area. The reported arrival of large numbers of Soviet trucks in South China would add greatly to the Chinese Communists' capability to increase supplies to Indochina.

 In the Tonkin Delta, Viet Minh guerrilla activity continued to increase during the past week and is expected to become still greater as the enemy attempts to seize a portion of the spring rice harvest there. 25X1

 Premier Tan, despite his public protests against French devaluation of the piaster, was secretly elated and said this action had united Vietnamese opinion behind him so he could step up his program for complete independence.

25X1

PHILIPPINES The manner in which President Quirino gained

the Liberal Party nomination indicates that he may use every fraudulent device to secure re-election. Romulo and his supporters may form a third party or line up behind Magaaysay, but their defection weakens Quirino's chances of victory.

JAPAN The new Liberal Party government can hardly

last for more than a short period unless it can gain the cooperation of the other important conservative group, the Progressive Party. While the Liberals and the Progressives have no serious policy differences, both parties are hampered by personal feuding and a general resentment against Yoshida.

CHINA Communist China's agricultural output this

year will probably fall below the 1952 level, with an adverse effect on the regime's industrial construction program.